

Sears workers reveal mistakes that are killing the company

Hayley Peterson Jun. 21, 2016, 12:45 PM



Sears is on the brink of death, according to several store-level employees.

The company's sales have been falling for years. It has been shutting down stores, selling real estate, and spinning off brands to stem the bleeding. Since 2007, Sears has closed half of its locations — which include Sears and Kmart stores — and eliminated more than 137,000 jobs.



A worker unpacks televisions at a Sears in Schaumburg, Illinois, near Chicago. Reuters

Some employees are now predicting that the rest of the company's physical stores will close within the next two years.

They are severely understaffed, with some operating on less than half of the employees they need, according to workers who spoke to Business Insider.

Not only are the stores firing people, but they are also cutting labor hours for the workers that remain, according to the employees. In some cases, stores are operating with just one or two cashiers — and sometimes no cashiers at all — they said.

That's making it increasingly difficult to hire and retain experienced workers, according to a former Kmart employee of 41 years who said that she was laid off in February. She told Business Insider that her store's employees hadn't seen raises in eight years.

She blames the company's CEO, Eddie Lampert, for the company's downfall.

"Lampert has taken this company and, with pompous arrogance, has destroyed it," she said. "Customer care is vital to a retail business. Lampert just couldn't understand that."

Workers also said that the stores are suffering structurally from a lack of investment.



An employee who currently works for a Sears in Ohio said that his store is rife with issues, from broken walls and escalators to frequent roof leaks. He said that the merchandise on the floor is often torn open, and no one will buy those items.

A former assistant manager of Kmart, who left the company in 2012 after 12 years, said that the company really started going downhill after the introduction of Shop Your Way, a loyalty program that Sears introduced in 2009.

The program, which allows customers to earn points for purchases, was confusing and poorly executed, killed profits, slowed down customer service, and featured targeted advertising that was completely off base, the former manager said.

He said:

"Items scanned per minute decreased from 18 to five items per minute because the program was littered with exclusions and confusion. Several items didn't ring as advertised or generate the points as expected. This resulted in long lines and angry customers. Abandoned carts meant utilizing payroll to return those items back to stock."

Sears

He said that he and his family shopped at Walmart instead of Sears or Kmart to avoid the confusion of Shop Your Way.

"Imagine trying to keep an eye on two children and trying to understand a confusing SYWR [Shop Your Way] offer," he said. "We opted to avoid the confusion and shop Walmart — where the tag or the sign told us what we would pay. No gimmicks."

The 41-year employee of Kmart who spoke to Business Insider had similar complaints about Shop Your Way.

She said:

"[Eddie Lampert's] ideas of reward cards to transform the company were a waste of time and money. If they didn't have a card, you were supposed to enroll them while you have 10 waiting in that one line to check out. Most people were so disgusted when they finally got to pay, they didn't want to apply. They just wanted to pay and go."

In response to the employee complaints, Sears spokesman Howard Riefs said that the company encourages workers to provide feedback.

"One of our cultural beliefs as a company is to embrace feedback," Riefs said. "We have a variety of ways that associates can give authentic feedback — even anonymously — and would encourage them to do so."

He also directed Business Insider to [a Sears blog post published last year](#) in which employees shared why they are proud to work for Sears and Kmart.

"I am very proud to be part of SHC [Sears Holding Co.]," said Jen Chamberlain, a Sears sales associate in Victor, New York. "From online and in-store shopping to home and car repair services integrating with Shop Your Way, it is truly a high standard of operation for any company."

Scott Ogden, an associate store manager in Miami, Florida, said, "I am proud to be part of the SHC team because we all work together on a daily basis to achieve the same common goals. SHC is comprised of great leaders and team members who strive every day to deliver their best results."

In addition to speaking with employees, Business Insider also reviewed a message board that workers said they use to communicate with Sears and Kmart employees at other stores.

In dozens of messages over the last several weeks, people claiming to work for Sears and Kmart complained about the stores' deterioration.

Several people claimed that the quality of the products that Sears and Kmart sell has declined, and that no one will buy clearance items regardless of how much they mark down the prices.

Sears

"Clearance is the standard operating procedure at our store," one person wrote on the message board. "We have at least half of our store on clearance. Too much stuff people don't want... and what they do buy they will usually return as defective. ...Not long until the end, it will come soon."



Another person claiming to work in Sears' automotive section wrote:

"Lately the majority of tire shipments consist of Patriot and Radar tires. These are simply cheap crappy tires. We have about 12 sets of Michelin tires left and a handful of Goodyear. Even shipments of their signature RoadHandler tires have slowed down. It's embarrassing when I have to face a customer and explain I just don't have much product to offer."

One person said that the stores have deteriorated so much that it's like caring for a "dead body."

"Our motto now is 'you can only do what you can do,'" the person wrote. "It's sad to watch what we worked for with pride for so many years to be slain in front of us and then we still have to care for the dead body."

Sears

Some stores are being inundated by shipments of merchandise several times a week, and they don't have enough employees to move the products from the trucks to the stock rooms, and then to store shelves in a timely manner.

"We have been getting shipments of things that we don't need — it seems like they are just trying to empty out of the warehouses," one person wrote.

The understaffing appears to be a major issue for many stores.

"My store is down to a skeleton staff," one person wrote.

Another said that they have a 17-year-old in a managerial position.

They wrote:

"With new hires only lasting less than a month, experienced employees quitting for better paying and better working conditions we have hardly anyone with any experience to run the store. The worst is that we have a 17-year-old running the office and cash office. He has no experience in either but he is a warm body to fill the job. The end is coming soon, get out while you can."

If you work in retail and have a story to tell, then send an email to retail@businessinsider.com.

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